

**Assembly Bill No. 2756**

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Passed the Assembly August 31, 2006

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*Chief Clerk of the Assembly*

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Passed the Senate August 30, 2006

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*Secretary of the Senate*

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This bill was received by the Governor this \_\_\_\_\_ day  
of \_\_\_\_\_, 2006, at \_\_\_\_\_ o'clock \_\_\_\_M.

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*Private Secretary of the Governor*

## CHAPTER \_\_\_\_\_

An act to add Chapter 5.2.5 (commencing with Section 25423) to Division 15 of the Public Resources Code, relating to energy.

## LEGISLATIVE COUNSEL'S DIGEST

AB 2756, Levine. Energy: efficiency retrofits: State Energy Conservation Assistance Account for Public Schools.

Existing law requires the State Energy Resources Conservation and Development Commission to administer the State Energy Conservation Assistance Account, a continuously appropriated account, in the General Fund until January 1, 2011, to provide grants and loans to local governments and public institutions, as specified, to maximize energy use savings.

This bill would require the Controller to transfer funds from the Ratepayer Relief Fund to an account in the Special Deposit Fund, to provide grants to eligible institutions, defined as a kindergarten and grades 1–12, inclusive, public school ranked academically as specified, for energy conservation projects at eligible institutions. The bill would transfer \$22,235,000 from the Attorney General's Ratepayer Relief Fund to an account in the Special Deposit Fund for use by California public universities and community colleges. The bill would authorize moneys in the account, upon appropriation by the Legislature, to be used by a public university or community college for the purposes of the bill.

The bill would require the Department of Water Resources to report to the Legislature on or before July 1, 2007, and each July 1 thereafter, on all sums collected and expended for costs associated with siting and installation of certain generating units obtained through an energy settlement agreement with The Williams Companies, Inc. and Williams Energy Marketing & Trading Company.

*The people of the State of California do enact as follows:*

SECTION 1. Chapter 5.2.5 (commencing with Section 25423) is added to Division 15 of the Public Resources Code, to read:

CHAPTER 5.2.5. ENERGY CONSERVATION ASSISTANCE FOR  
PUBLIC SCHOOLS

25423. As used in this chapter, the following terms have the following meanings:

(a) “Eligible institution” means a kindergarten and grades 1 to 12, inclusive, public school ranked in deciles 1 to 3, inclusive, on the Academic Performance Index, pursuant to Section 52056 of the Education Code, based on the 2003 base Academic Performance Index score for each school, as defined in subdivision (b) of Section 17592.70 of the Education Code.

(b) “Energy conservation measure” means an installation or modification of an installation at an eligible institution that is primarily intended to reduce energy consumption, including retrofit or replacement of heating, ventilation, and air-conditioning systems, appliances, mechanical systems, insulation, windows, and building design and materials.

(c) “Energy conservation project” means an undertaking to acquire and to install one or more energy conservation measures at an eligible institution, and technical assistance in connection with that undertaking.

25423.1. (a) Any public university or community college may finance all or a portion of the costs incurred in implementing an energy conservation project at an eligible institution.

(b) Any California public university or community college may finance its or the eligible institution’s share of costs that are to be jointly funded through a state, local, public utility, or federal-local program.

25423.2. (a) The Controller shall transfer funds from the Ratepayer Relief Fund to an account in the Special Deposit Fund. The money in the account shall, upon appropriation by the Legislature in the annual Budget Act, or other appropriation, be used by a public university or community college for the purposes of this chapter.

(b) The money in the account shall consist of all money transferred to, or authorized or required to be deposited in, the account by the Legislature.

(c) The money in the account shall be disbursed by the Controller for the purposes of this chapter.

(d) The funds in the account shall be made available to any public university or community college for grants for energy conservation projects and related services to be performed for eligible institutions. Services may include, but are not limited to, curriculum development, materials, professional engineering services, feasibility analysis, project design, field assistance, and operation and training.

25424. (a) An allocation made pursuant to this chapter shall be used for the purposes specified.

(b) Requests for expenditure authority shall be evaluated utilizing the following prioritized criteria:

(1) The degree of incorporation of energy efficiency technology into curriculum or efficacy of the energy conservation project to be utilized as a learning tool.

(2) The number of energy conservation or efficiency projects and the magnitude of energy efficiency benefits previously implemented by the applicant.

(3) Whether the California public university or community college has designated staff or faculty responsible for coordinating the energy conservation project and the number of similar projects and the magnitude of energy efficiency benefits previously derived under the management of the person or persons designated. This criteria shall consider whether previous projects were performed on or ahead of schedule, whether previous projects were completed on or below budget, and whether the benefits actually achieved or exceeded expectations.

(4) The effectiveness of the energy conservation project as a demonstration project for other eligible institutions, including integration with existing energy efficiency technologies, proximity to other eligible institutions, and proximity to other educational, civic, and governmental institutions that may undertake similar projects.

(5) The amount of energy saved in the short run and over the life of the energy conservation project.

(c) In the event that it is determined that an allocation has been expended for purposes other than those specified in an approved application, the California public university or community college shall immediately return the full amount of the allocation. The applicant shall immediately comply with that request.

25424.4. The Department of Finance, at its discretion, may audit the expenditure of any allocation made pursuant to this chapter or the computation of any payment made pursuant to Section 25423.2.

SEC. 2. On or before July 1, 2007, and each July 1 thereafter, the Department of Water Resources shall report to the Legislature on all sums collected and expended for costs associated with siting and installation of the LM6000 units obtained through the settlement with The Williams Companies, Inc. and Williams Energy Marketing & Trading Company, made and entered into as of November 11, 2002.

SEC. 3. (a) The sum of twenty-two million two hundred thirty-five thousand dollars (\$22,235,000) is hereby transferred from the Attorney General's Ratepayer Relief Fund to an account in the Special Deposit Fund for use by California public universities and community colleges for the purposes of Chapter 5.2.5 (commencing with Section 25423) of Division 15 of the Public Resources Code.

(b) The Legislature finds and declares that the moneys referred to in subdivision (a) are proceeds from the settlement of litigation with The Williams Companies, Inc. and Williams Energy Marketing & Trading Company, made and entered into as of November 11, 2002, and received for energy efficiency retrofit of schools and public buildings.

(c) It is the intent of the Legislature that all subsequent proceeds from the settlement of litigation with The William Companies, Inc. and Williams Energy Marketing & Trading Company, made and entered into as of November 11, 2002, be transferred to the account within the Special Deposit Fund to implement the provisions of Chapter 5.2.5 (commencing with Sections 25423) of Division 15 of the Public Resources Code.





Approved \_\_\_\_\_, 2006

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*Governor*